

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NOS. APP-96-1 RPU-96-8
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**ORDER APPROVING REVENUE SHARING PLAN
AND REQUIRING REPORT**

(Issued April 14, 1999)

On February 15, 1999, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) its return on common equity calculations for 1998 pursuant to Appendix V of the settlement approved by the Board on June 27, 1997, in Docket Nos. APP-96-1 and RPU-96-8. The settlement requires MidAmerican to file by February 15 of each year calculations showing its return on equity for Iowa jurisdictional electric operations. If MidAmerican's return on equity exceeds 12 percent, the settlement requires MidAmerican to return 50 percent of the excess earnings to non-contract customers. MidAmerican's calculations show an equity return of 12.33 percent, resulting in a refund of \$2,203,000 due to customers. On March 29, 1999, MidAmerican filed a motion to approve its revenue sharing plan to refund this amount to non-contract customers.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a response on February 25, 1999. Consumer Advocate said its review of MidAmerican's equity sharing calculation is not complete and that it is

engaged in discovery with MidAmerican to determine the accuracy of MidAmerican's calculations. Consumer Advocate does not object to crediting \$2,203,000 to non-contract customers but reserves the right to request a contested proceeding if it determines that additional refunds may be due customers.

MidAmerican proposes to implement the \$2,203,000 refund to all non-contract customers via bill credit allocated equally in proportion to 1998 non-contract billed revenues. In addition, MidAmerican proposes a refund of \$1,314,833 to non-contract commercial customers to comply with an amendment to the settlement agreement approved by the Board on September 11, 1998. This amendment retroactively reduced rates from June 2, 1998, for non-contract commercial customers because contract customers were receiving reduced rates during 1998.

The Board has reviewed MidAmerican's revenue sharing plan and will approve it, subject to additional refunds, if warranted, as determined in a subsequent contested case proceeding. In addition, MidAmerican will be required to file a refund report within 90 days of completion of the refunds.

IT IS THEREFORE ORDERED:

1. The revenue sharing plan filed by MidAmerican Energy Company on March 29, 1999, is approved, subject to additional refunds, if warranted, as determined in a subsequent contested case proceeding.

2. MidAmerican Energy Company shall file a refund report within 90 days of completion of the refunds.

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/s/ Allan T. Thoms

/s/ Emmit J. George, Jr.

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Paula S. Dierenfeld

Dated at Des Moines, Iowa, this 14th day of April, 1999.